

DEPARTMENT OF TAXATION AND FINANCE

MEMORANDUM

TO: Mr. Doran

FROM: Mr. Scully

SUBJECT: M W Textile Corp.

OFFICE

DATE November 2, 1967

Form CT-122 attached to the franchise tax report of the above corporation for the calendar year 1965 shows a reduction in tax of \$5,039.57. Accordingly, your approval and the approval of the Tax Commission are required.

When filing its report, the corporation allocated 100% of its property and wages to New York, but only 50% of its receipts. Inasmuch as the report showed no property outside the state, we fixed a tax on the basis of 100% of the net income of the corporation.

A subsequent field audit by our New York office disclosed that the report was prepared incorrectly because all of the corporations inventories were located at the premises of independent contractor or suppliers outside the state and were shipped from such premises to customers, most of whom were located outside New York. The property factor and receipts factor were recomputed on this basis, resulting in a revised business allocation percentage of 51.5% and in the reduction indicated above.

Your approval is recommended.

/s/

EDWARD J. SCULLY

Sr. Tax Administrative Supervisor

EJS:jb

Approved
E. A. DORAN

APPROVED: WALTER MACLYN CONLON 15 NOV. '67